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SUBJECT: FIFTH ANNIVERSARY OF 9/11; ARGENTINE PUBLIC SERVICE RATES;
US-ARGENTINA; GSP REVIEW; US-URUGUAYAN FTA; VENEZUELA'S UNSC
CANDIDACY; BOLIVIA; 09/08/06; BUENOS AIRES

1. SUMMARY STATEMENT

Today's leading international stories include the fifth anniversary of the September 11 attacks and their connection to the invasion of Iraq and the current situation in Iran; the disapproval of European leaders vis-à-vis US President Bush's acknowledgement of CIA secret prisons; the US objecting to loans requested by the Argentine Government; Argentina and Brazil plans to submit a joint document to address possible removal from the GSP; Mercosur's vote in favor of Venezuela's UNSC candidacy; and the Bolivian administration's authoritative style.

2. OPINION PIECES AND KEY STORIES

- "We and the September 11 attacks"

Daily-of-record "La Nacion" carries an op-ed piece by Javier Marias, Spanish writer, who opines (09/08) "... No one is safe from the criminal attacks just like those in Bali, Beirut, Madrid, London, Bombay or some other innumerable places.

"Fanatic Muslims kill themselves with the purpose of killing you and thousands more like you, who have done nothing to them or even known about their lives... For them, there is no individual life...

"Here, in Madrid, more than two years after the train attacks, we do not feel as though we were at war because terrorism is intermittent and war has never been so and it has no breaks."

- "Europe is disgusted with CIA secret prisons"

Leading "Clarín" reports (09/08) "European criticism poured over the US after US President George W. Bush acknowledged that the CIA kept prisoners in secret prisons abroad after the September 11 attacks.

"Disgusted European leaders and legislators condemned the 'dirty war on terrorism' and asked for more information from Washington."

- "A happy world"

Marcelo Cantelmi, international editor of leading "Clarín," writes (09/08) "Believe it or not, five years after the September 11 attacks, 85% of Americans swear that Bush invaded Iraq in retaliation for those attacks. 77% do not doubt that the US overthrew Saddam Hussein to prevent him from harboring Bin Laden...

"Iraq has never had ties with the September 11 attacks, and Osama's only interest in Saddam may have been the intention of killing him.

"Bush's current rage with Iran is also being twisted so that Tehran

appears involved in the September 11 attacks, regardless of the fact that Iranian Shiites consider Osama and his followers satanic and an insult to the Islam."

- "New US pressure over Argentine public service rates"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nacion," writes (09/08) "The US Department of Treasury has pleaded for an adjustment in public service rates. For the first time, it has put in writing an objection to a loan that had been requested by the Argentine Government to improve energy efficiency..."

"During recent weeks, the US Treasury Department has become the Argentine Government's main hurdle in obtaining funds from multilateral lending agencies, including the IDB and the World Bank..."

"... The US Treasury Department's objection is another sign of the prevailing mood at the US Treasury Department about the Argentine Government. The US Treasury Department abstained from voting or voted against granting the last IDB loans and is hindering, along with other G7 members, the World Bank loans."

- "A decision that reveals US disapproval"

Leading "Clarín" carries an op-ed piece by Marcelo Bonelli, economic columnist, who writes (09/08) "The decision was a political sign from Washington - the US voted against Argentina at the IDB in order to underscore the Bush administration's prevailing irritation over its disagreement with Buenos Aires."

"Therefore, the decision has crucial political importance. 'Clarín' has confirmed that the unusual position engaged top-ranking members of the White House staff. First it had the blessing of Tim Adams, the US Treasury Assistant Secretary, and also the approval of US

Assistant Secretary for Hemispheric Issues Tom Shannon.

"... According to bankers, it is an action that reflects that the US and the other G7 countries have abandoned the 'aloofness' of the last two years towards Argentina. They did not agree with the economic line, but they let leaders do what they wanted simply because they were not compelled to contribute fresh funds. Three months ago, they expressed their disapproval of what they consider an incorrect economic policy and a negative business climate."

- "The (GSP review and) removal of preferential rates could have a low impact on Argentina"

Alejandro Vicchi, contributor to business-financial, center-right "InfoBae," writes (09/08) "During recent days, USTR has said that the USG could possibly limit the benefits for Argentine products that are included in the GSP."

"... Argentina has had a constant trade surplus with the US since the devaluation of its currency mainly because (current) US imports fell to less than half of the level of 2002 US imports."

"Argentine exports to the US also increased. In conclusion, the gap has been bridged as the recovery of the Argentine economy increased its purchasing power and local farmers started to capitalize on the advantage of the current exchange rate and increased their intervention in foreign markets."

"The main point from the businessman's point of view is that the US is the largest economy in the world, and that the purchasing power of its inhabitants presents several still unexplored opportunities for Argentine exporters."

- "Argentina-Brazil vs. the US"

Business-financial "Ambito Financiero" reports (09/08) "Argentina and Brazil will submit a common position vis-à-vis the US regarding the Bush administration's decision to include them in the list of countries that will be removed from the GSP."

"The Argentine-Brazilian submission will be made tomorrow when G20 FM ministers meet tomorrow in Rio de Janeiro...

"Beyond Argentina's joint protest with Brazil, the strategy to be implemented by the Argentine Foreign Ministry will be to attempt to open other alternative markets for these products, such as Europe, India, Latin America and North Africa, and to continue condemning farm subsidies granted by developed countries, particularly by the US."

- "Vazquez arrives in Brazil with his eyes placed on the US and China"

Business-financial, center-right "InfoBae" reports (09/08) "Tabare Vazquez will meet with Lula, Mercosur pro-tempore president, to discuss the possibility of reaching FTAs outside of Mercosur."

"According to Uruguayan governmental sources, Vazquez will tell Lula about the inconsistency of 'being flexible with everything but being orthodox in the foreign relationships of minor partners, which have been the most affected in Mercosur's consolidation process.'

"Vazquez will use the encounter to explain to Lula why he considers it essential for Uruguay to be able to negotiate individual FTAs with third countries like the US, India or China while within Mercosur."

- "(Mercosur's) Pro-Chavez vote at the UN confirmed"

Carlos Burgueo, columnist of business-financial "Ambito Financiero," writes (09/08) "Delegates from Mercosur countries confirmed yesterday that the bloc will vote in favor of Venezuela's aspirations to become a member of the UN Security Council, in spite of the opposition of the US, which promotes Guatemala's candidacy... This will be one of the issues on which Argentina, Brazil, Uruguay, Paraguay and Venezuela will work jointly at multilateral institutions such as the WTO, the IMF, the World Bank, and the UN General Assembly."

"... According to Argentine FM sources, Argentina has never doubted that it would vote in favor of Venezuela. The alliance between the two countries goes beyond the good relationship between Chavez and Nestor Kirchner - reportedly Venezuela is, along with Peru, one of the two countries that have always voted in favor of Argentina at international institutions, including the war in Malvinas."

"Chavez is also the main international investor with respect to the purchase of local bonds, and he has become a full Mercosur member. On the other hand, FM sources believe Guatemala cannot be considered eligible in place of any South American country applying for the seat."

13. EDITORIALS

- "Bolivia's authoritative government"

An editorial in daily-of-record "La Nacion" reads (09/08) "... The Bolivian Constituent Assembly is divided and confronted..."

"Authoritarianism and violence have replaced dialogue and debate... In this framework, charges of corruption pour on Morales' entourage..."

"Meanwhile, the nationalization of hydrocarbons is also merged in chaos and is stagnated due to the lack of funds for implementation and has been questioned by recent judicial rulings..."

"There is speculation about a 'self-coup' of Evo Morales. For the time being, there is a dangerous totalitarian trend and an increasing authoritarianism, along with certain despise for law, a climate of insecurity and revenge, and lack of respect not only for minorities but for everyone who disagrees with the MAS or the president."

"Bolivia is again on the edge of the abyss. However, Evo Morales rejected the mediation of the defender of the People, the Catholic Church or the OAS. Seemingly, he believes the best way to walk along

the road ahead will be through threats or the use of force, which implies his despise for democratic dialogue and consensus."

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